

Message Text

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PAGE 01 EC BRU 01556 141936Z

62

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INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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SUBJECT: ENERGY CRISIS HAS LIMITED IMPACT ON EMPLOYMENT
IN THE EUROPEAN COMMUNITY

REF: EC BRUSSELS 1394

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PAGE 02 EC BRU 01556 141936Z

1. BEGIN SUMMARY. ACCORDING TO THE LATEST EMPLOYMENT STATISTICS

COMPILED BY THE EC COMMISSION, EMPLOYMENT IN THE EUROPEAN COMMUNITY (EC) HAS NOT BEEN SERIOUSLY AFFECTED BY THE ENERGY CRISIS. THE ONLY SIGNIFICANT CHANGES HAVE BEEN REGISTERED IN THE TEXTILE, CONSTRUCTION AND AUTOMOBILE INDUSTRIES IN CERTAIN MEMBER STATES. COMMISSION EMPLOYMENT EXPERTS ARE STUDYING THE POSSIBLE EFFECTS OF PETROLEUM PRICES ON EMPLOYMENT BUT AT THIS TIME COMMISSION OFFICIALS VIEW THE SITUATION AS MUCH MORE REASSURING THAN WAS INITIALLY ANTICIPATED. END SUMMARY.

2. IN RESPONSE TO AN EC COMMISSION REQUEST FOR DATA TO BE USED IN PREPARING A DETAILED ANALYSIS OF THE IMPACT OF THE ENERGY CRISIS ON EMPLOYMENT IN THE COMMUNITY, THE NINE MEMBER STATES SUBMITTED UNEMPLOYMENT STATISTICS AS FOLLOWS: GERMANY--620,494 (2.8 PERCENT OF THE LABOR FORCE) IN JANUARY 1974, UP 1.2 PERCENT OVER THE PREVIOUS YEAR; BELGIUM--103,521 (4.1) IN JANUARY 1974, UP .1; DENMARK--18,600 (2.3) IN JANUARY 1974, DOWN .3; FRANCE--460,000 (2.8) IN DECEMBER 1973, UP .3; IRELAND--72,394 (10.0) IN JANUARY 1974, DOWN .5; LUXEMBOURG--56 (0.02) IN NOVEMBER 1973, NO CHANGE; NETHERLANDS--149,800 (4.0) IN JANUARY 1974, UP .1; UK--606,339 (2.7) IN JANUARY 1974, DOWN .8. THE LATEST AVAILABLE STATISTICS ON UNEMPLOYMENT IN ITALY ARE FOR SEPTEMBER 1973, BEFORE THE ENERGY CRISIS HIT EUROPE. (THERE WERE 951,538 UNEMPLOYED OR 4.9 PERCENT OF THE LABOR FORCE, DOWN .4 PERCENT FROM THE PREVIOUS YEAR.) ACCORDING TO THE COMMISSION, SEASONAL FACTORS INFLUENCE UNEMPLOYMENT LEVELS IN ALL MEMBER STATES, PARTICULARLY IN CONSTRUCTION AND AGRICULTURE. DESPITE CONTINUING CONCERN WITH THE POSSIBLE EFFECTS OF OIL PRICES ON EMPLOYMENT, THE COMMISSION IS ENCOURAGED BY THESE STATISTICS WHICH INDICATE THAT, AT LEAST THROUGH JANUARY 1974, THE COMMUNITY EMPLOYMENT PICTURE HAS REMAINED RELATIVELY UNCHANGED, AND HAS EVEN IMPROVED IN SOME COUNTRIES DURING THE PAST YEAR (ALTHOUGH THE STATISTICS FOR ITALY ARE NOT RECENT ENOUGH).

3. COMMISSION EXPERTS HAVE THUS FAR BEEN UNABLE TO ASSESS THE EXTENT OF THE EFFECTS ON EMPLOYMENT OF CERTAIN ENERGY RELATED MEASURES, SUCH AS THE SHORTER WEEK IN THE UK AND WEST GERMANY, AND THE IMPOSITION OF RESTRICTIONS AGAINST THE ENTRY OF FOREIGN WORKERS IN DENMARK AND WEST GERMANY, WHICH COULD ADD AN ESTIMATED 300,000 MIGRATORY WORKERS TO THE UNEMPLOYED ROLLS IN ITALY.

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PAGE 03 EC BRU 01556 141936Z

4. THE COMMISSION IS CLOSELY FOLLOWING EMPLOYMENT TRENDS IN GERMANY WHERE THE ENERGY CRISIS IS HAVING MORE OF AN IMPACT, PARTICULARLY IN THE AUTOMOBILE INDUSTRY. ACCORDING TO THE COMMISSION, 170,000 GERMAN AUTO WORKERS ARE NOW WORKING A SHORTER WEEK AND VOLKSWAGEN HAS NOTIFIED ITS 128,000 WORKERS THAT THEY FACE A REDUCTION IN APRIL.

5. COMMENT. WHILE THE COMMISSSION WILL CONTINUE TO OBSERVE THE RELATIONSHIP OF OIL PRICES TO EMPLOYMENT, THE SENSE OF URGENCY AND CONCERN SO MUCH IN EVIDENCE IN THE COMMUNITY JUST A MONTH AGO IS GONE. THE DIRE WARNINGS BY COMMUNITY TRADE UNION LEADERS OF PENDING DISASTER IN THE EMPLOYMENT SECTOR AS A RESULT OF THE ENERGY CRISIS HAVE ALSO SUBSIDED AND ENTHUSIASM FOR THE MARCH 15-16 TRADE UNION ENERGY CONFERENCE ORGANIZED BY THE EUROPEAN TRADE UNION CONFERENCE (SEE REFTEL) HAS WANED. NEVERTHELESS, THE ETUC LEADERS AT THE CONFERENCE ARE EXPECTED TO DEMAND COMMUNITY ACTION AIMED AT REGULATION OF OIL PRICES AND THE IMPOSITION OF STRICT GOVERNMENTAL CONTROLS OVER ACTIVITIES OF MULTINATIONAL PETROLEUM COMPANIES. GREENWALD

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